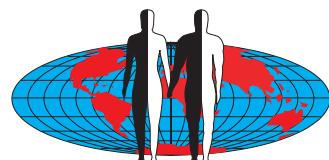


# IMAGINE

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## Hunger in Canada

**A** Southam news report published on 16 August 2001 informs us that "[a]bout 2.5 million Canadians, including tens of thousands of middle class families, had problems putting food on the table at least once in 1998-99, Statistics Canada said Wednesday." Canada, however, is a net exporter of food. It is also a nation which is known to be "the best country in the world to live" according to the United Nations Development Programme. Yet, despite these facts, another family study conducted for Human Resources Development Canada found that 1.6% of Canadian families with children under age 12 reported experiencing hunger in 1996.

It is clear from both studies that for most of those reporting hunger, it was not an everyday event. But the 8% of Canadians reporting "food insecurity" is a condemnation of the social structure under which we live today. As much as some might argue that these people are lazy, uneducated, or responsible for their own plight, the fact is that there are a lot of hungry children and adults. Many people are honestly worried about their ability to feed themselves, but this is not because there isn't enough food, but rather that capitalism allocates food, and everything else, in a strange way. Rather than allocating food to those who are hungry, capitalism allocates food to those who have the money to pay for it. Under capitalism, food is a commodity, like other things for sale, to be sold with a view to profit.

Under capitalist logic, if nobody wants to purchase your ability to labour, then you will not work. Capitalism has no obligation to feed you and your children. And, because capitalist economics has its continuous cycles of "booms and busts", it is only really necessary to keep the pool of unemployed workers on the dole for the next anticipated "boom". Also, the nasty habit of people to revolt when they suffer from too much hardship ensures that enough money keeps trickling down to the working class (90% or more of the population) to stave off the worst pangs of starvation. It matters little whether the money is in the form of government handouts, food subsidies, or other forms of charity. The "bottom line" under capitalism is that the working class keeps producing profits for the capitalists, not that workers get enough to eat.

Some will fault the above noted StatsCan study for including

**see FOOD INSECURITY, page 4**

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# Socialism Q&A

## Higher wages, better benefits—a futile struggle?

Is it worthwhile for the worker to struggle for gains in wages and benefits if this will cause an increase in prices and negate his efforts?

This is a common argument of the capitalist class to discourage workers from taking action to improve their lot, and depends on the fraudulent claims that the price of commodities will in fact rise, that the price of commodities depends on the price of labour, and that the capitalist can raise his prices as he pleases.

Firstly, a pay increase will mean increased spending by the workers on their usual necessities—food, clothing, household goods, *etc.* This increased demand will cause prices to rise temporarily. However, this increase in prices ensures that the capitalist producing those products will be compensated for paying out higher wages. The capitalist producing luxury goods will experience a drop in sales and profits because

overall demand of all goods will remain the same and if the demand for necessities rises, then demand for luxuries must fall. Thus the luxury producers will be hit with increased wages and falling sales and profits. This will bring about a transfer of capital and labour to the production of those goods giving the highest rate of profit (necessities) until supply equals or exceeds demand and prices fall to their original level or lower. For proof that higher wages don't mean higher prices, Marx points out (*Value, Price & Profit*) that the English worker was higher paid than workers in other European countries, but English products undersold those of their competitors.

The price of commodities does not depend on the price of labour. Marx has shown that the value of a commodity is determined by the socially necessary labour time required to produce an article: "As the exchangeable values of commodities are only social functions of those things, and have nothing to do with natural qualities, we must first ask, 'What is the common social substance of all commodities?' It is labour." (*Value Price & Profit*) Price is simply the monetary expression of value. The market price may fluctuate up and down from the value according to supply and demand, but always tends towards the natural price (*i.e.*, the expression of value as quantities of equal social labour) and over the long term sells at this price.

Therefore, as price is set by value, and value is the amount of socially necessary labour crystallized in a commodity, and as any price fluctuations are due to supply and demand, then it is clear that the capitalist cannot raise his prices on a whim, however much he may want to.

In conclusion, we must state that, as wages depend on supply and demand, rising when demand outstrips supply and falling when supply outstrips

demand, the worker should take advantage of any opportune time to increase his wages and benefits. This, of course, must be done when demand for labour is high, as it would be economic suicide to do so when demand is low. It must be seen that any advantage gained could easily be wiped out at the next recession or legislative attack on labour. One has only to examine the record of the current Tory government of Ontario's record of labour legislation to see that the lot of the workers can be set back fifty years at the stroke of a pen. Secondly, as the capitalist cannot raise his prices whenever and to whatever level he pleases, wage increases must come from gaining a greater share of the profits. The capitalist must resist any loss of his portion of the profits, thus creating the inevitable and continuous conflict between worker and capitalist. Consequently, the worker should be aware that the fight for better wages is secondary to the main goal of overthrowing the wage system and replacing it with a system of democratic control of the means of production by, and in the interests of, the people. The social conditions under which Marx wrote have altered little in their general character since he addressed *Value, Price & Profit* to the First International Working Men's Association in 1865. What he states about the limitations of trade unions holds as equally true for today as it did when he wrote it: "Trades Unions work well as centres of resistance against the encroachment of capital. They fail partly from an injudicious use of their power. They fail generally from limiting themselves to a guerilla war against the effects of the existing system, instead of simultaneously trying to change it, instead of using their organized forces as a lever for the final emancipation of the working class, that is to say, the ultimate abolition of the wages system."

—TORONTO SOCIALIST DISCUSSION GROUP

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The Socialist Party of Canada provides educational material and forums to explain capitalism and socialism, and works to promote working class understanding of socialism. Although primarily active in Canada, the Party sends information to people around the world.

The Socialist Party of Canada was founded in 1905. It is a companion party in an international organization of socialist parties known as the World Socialist Movement, whose Object and Declaration of Principles can be found elsewhere in this issue.

# Africa's debt

## Free market capitalism a specious solution

While the leaders of the wealthiest governments forming the G8 met in Calgary, Alberta, protests were made across Canada demanding aid to African governments burdened with financial debt.

African state officials attended the G8 conference begging relief from the crushing debt their states owe to western powers. Their developing and competing states have seen poverty, continual wars, miserable health conditions—much of it the result of three centuries of western capitalist powers carving out their spheres of influence through colonization and unabated economic exploitation. The legacy is a cycle of developing and small capitalist states' economic dependence on the more rapacious and developed capitalist states.

Celebrities have joined the chorus of those advocating billions of dollars of financial aid. Others, like U2's rock star Bono, demand that western governments, banks, and capitalists forgive the debt of the African states. Both reason that this will free up needed monies for pressing social problems: poverty, rampant health problems, and building needed economic infrastructure.

Their hearts are in the right place, but what they propose as the solutions, or at least the beginnings of solutions—to provide Africa with needed breathing space to "catch up" to western capitalist states—falls short of their goal despite Africa's problems being real enough.

One recent report suggests nearly 600 million people will be living in extreme poverty in sub-Saharan Africa by the year 2016 (BBC News, Monday, 13 May 2002, "UK Blair pressed over Africa poverty").

Such forecasts mirror poverty worldwide. Presently under global capitalism half the world's population live on less than \$2 a day, a fifth surviving

on half of that. Some 30 000 children die each day because of poverty (Susan George, Associate director Amsterdam Transnational Institute). Sweatshops and the misery of child labour, such as in India's silk manufacturing industry where children as young as ten years old work seven days a week for a pittance, are the conditions of work for many. Meanwhile, multinational corporations reap the profits from their labour (CBC News Report, 23 June), so altering the relationship between labour and capital is one thing they'd prefer not to do.

Yet, while this sanctioned misery for Africa's labouring poor carries on, hired ideologists and apologists beating the drum of free enterprise suggest that what Africa really needs is not more aid but a good dose of free market capitalism.

These economic spin doctors weave fractured fairy tales of capitalism's glories where commodities, demand and supply, and money reign supreme. To them Africa's economic woes can only be overcome by the free reign of "the market," and if that means the further tightening of belts amongst the working class then so be it. They tell us that there is no other alternative. In their view, capitalism is the best of all possible systems—which is not surprising, because it's 'their system' and they draw their parasitical existence from it.

The so-called "radical" solutions of forgiving state debt or massive foreign aid do nothing to solve the root of the problem—capitalism itself—a system based upon exploitation, where commodities must be sold with a view to profit. Simply, it is the way the system functions. It is not, and never can be, a system that deals with people as human beings, to provide them with the things they need. Those who try

**continued on page 7**

## The Socialist Party of Canada

### Object

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of society as a whole.

### Declaration of Principles

The Socialist Party of Canada holds:

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.
2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle between those who possess but do not produce and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.
4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind, without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organize consciously and politically for the conquest of the powers of government, in order that this machinery, including these forces, may be converted from an instrument of oppression into an agent of emancipation and the overthrow of plutocratic privilege.
7. That as political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interest of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.
8. The Socialist Party of Canada, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to support these principles to the end that a termination may be brought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

# “Food insecurity” rampant: StatsCan

**continued from page 1**

the concept of “food insecurity”. There is a popular myth that unless people are actually starving to death, their lives are really not all that bad. This goes hand in hand with blaming the victim—the parents of those hungry children—for their poverty and hunger. The belief that somehow the poverty of others does not affect those who feel that they are well fed is a misconception. It affects them. Nobody is immune to the poverty that is inherent under capitalism. The richest person in the world spends money to protect himself from becoming poor, and the poorest of the world incessantly try to flee it.

**T**he Right blames the poor for their poverty, yet concedes that charity is a good way to deal with things like feeding the hungry. The Left takes their own approach, blaming the capitalists for not being benevolent enough. They promote government handouts to help the poor. The Left has given up on the idea of ending poverty, except perhaps in the oh-so-distant future. Their schemes to make poverty somehow more bearable, which do not address the problem, are an insult to the workers and ignore the truth about what is causing people to go hungry.

We socialists, however, look beyond the discomforts of poverty that both the Right and Left suggest we have to put up with. We examine the root cause. Despite the past 150 years or so that the Left, Right and Centre have tried to argue that we are wrong about their failures to reform capitalism, all their numerous schemes have not ended poverty and hunger. They still wish us to believe that their policies can make poverty better for the poor.

The Right has tried to show how poverty has eased with little or no state interference, even going so far as to mislead any who might listen that state interference is actually the cause of poverty in the first place. (See the essay,

“End Poverty by Ending Welfare As We Know It” by Fred McMahon in the forthcoming book, *Memos to the Prime Minister: What Canada Should Be in the 21<sup>st</sup> Century*, John Wiley & Sons Canada Ltd.). Likewise, The Centre’s sway from Left to Right does nothing to end hunger either.

**“Capitalism allocates**

**resources based upon how**

**much money you have.**

**Socialism, when the working**

**class finally decides to**

**establish it, will allocate**

**resources based upon**

**human need.”**

We socialists claim that there is no need for poverty. We claim that replacing capitalism with socialism can end hunger and poverty. We claim that our analysis of capitalism shows we are right. We claim that the working class runs capitalism for the capitalists, by and large. We claim that everything that has ever been built has been built by working people. We claim that there is no need for capitalists or capitalism.

Some people from the Left blame capitalists for society’s problems. Socialists most emphatically state that no one should hate capitalists. Rather we state, just as emphatically, that as long as the working class acquiesces to capitalism—working for wages—capitalists are getting us to do exactly what they want. The capitalists are exploiting us by living off the profits derived from our labour. Capitalists pay us less than the value of our labour, and yet, by the logic of capitalism, when we sell our labour power we are not being cheated. Our ability to work is a commodity bought and sold like all other things in the market place. It is the very epitome of fair dealing under capitalism and most people show their support for it by their acquiescence.

**S**ocialists claim that the NDP, Canadian Alliance, Liberals, Greens, Conservatives, Communist Party, etc. have not failed outright, however. On the contrary, they have been remarkably successful—successful at maintaining capitalism! No matter how awful capitalism is proven to be for the working class, no matter how many times people say, “Never again!” No matter how many people go hungry, live in poverty, are cold and sick, are maimed or killed in wars or industrial “accidents”, capitalism holds its ubiquitous grip on the working class.

Yet the working class does not have to succumb to the pretense of choices offered by the Left, Right and Centre.

**I**f you cannot find a buyer for your ability to work, then you are of almost no use to capitalism. Your continued existence is next to meaningless from the perspective of capitalism. However, the unemployed poor are not useless to capital. The poor spur those who do work to do whatever is necessary to remain employed, including accepting pay cuts. Of course, employment doesn’t end poverty. Sometimes it doesn’t even end hunger. But it does ensure profits are made, keeping the rich rich and the working class in servitude.

It is capitalism at which we socialists direct our severest criticism, because it is capitalism itself, (by its very logic of profit before people), that is the prob-

lem. Capitalism is a class-divided society in which the capitalist class owns and enjoys the wealth produced by the majority working class, and as long as society remains this way, the majority will suffer. Food insecurity is one level of this suffering, and fearing being poorer than you already are is yet another level of suffering.

**C**apitalism allocates resources based upon how much money you have. Socialism, when the working class finally decides to establish it, will allocate resources based

upon human need. If you need food, you will take it. In such a society, hunger will not exist. To end hunger, and the plethora of horrors which socialists show are caused by a class divided society, all we need to do is understand reality, and work to eliminate the barriers to a cooperative society. It sounds simple, but one of the reasons that this idea has not materialized is because we need to overcome the Left's popular, mythic ignorance of what socialism means.

So, the first step is to stop believing the empty promises of capitalism's Left,

Right and Centre. The second step is to put trust in ourselves: we who have built the society in which we live—the working class. The third step is to stop believing that we can do nothing to change society—this is simply capitalist hoodwinking! Join with us in the knowledge that we can create a society to satisfy everyone's needs. Join with us to build a society that can resolve the problems that today evade solution because capitalist interests take preference over our own interests.

—ANON.

## About our logo

Logos are omnipresent in our society today, mainly to invite support and loyalty to an organization. Thus sports teams, non-governmental organizations, governments and especially businesses, large and small, use logos constantly in the hope of establishing product identification in the consumer's mind. All are competing for your attention, shopping loyalty, and above all, your dollars. So what about our logo? The "One World, One People" logo of the World Socialist Movement embodies many of our beliefs and seeks to put our case before you.

"One World" means that we see the world as one continuous co-operative entity rather than a world that is divided into competing sectors or countries. Socialists see a world without boundaries, where co-operation and mutual help will take place between autonomous and largely self-sufficient regions. As there will be no money or trade, there will be nothing to go to war for. If one region is deficient in steel, for example, it need only request the amount needed from a steel-producing area. By contrast, the competing sectors and countries in the present world have arbitrary boundaries drawn on a map by groups of competing capitalists to mark their control of resources in a particular region. They continually seek to extend their boundaries or influence to include other resource-rich areas and trade routes. Protecting these spheres of influence inevitably leads to war, a constant state in capitalism. Afghanistan is a prime example. Created by Britain in the 19th century to provide a buffer between its empire and that of Russia, it threw together many culturally disparate groups and created a recipe for turmoil lasting to the present time. George Bush's war in this country is certainly more about establishing hegemony to secure oil and gas pipeline routes than it is about stopping terrorism.

"One World" would mean a world council, elected democratically from all the various regions to solve world problems, armed with the knowledge and tools to do the job properly. The petty squabbles and usual monetary constraints responsible for today's tragic lack of action on such pressing global problems as

starvation, poverty, homelessness, and environmental degradation would not exist. Thus, an agreed course of action to improve the environment could not be vetoed by a single country, as the Americans did to the Kyoto agreement, feeble as it was, with the excuse that saving the environment would hurt that country's economy (read: profits). In socialism, if something needs doing to improve our conditions, *it will be done*. We need only have the will to seek the knowledge and resources required.

The "One People" part of our logo refers to the fact that we are all members of one race—the human race—and we share the same planet along with multitudes of other species. We all have similar needs—food, water, shelter, health, education, security, etc. The disorder of capitalist production and distribution of wealth means that all workers, companies and regions must compete to grab as much material wealth for themselves as possible, to the detriment of others who become the losers in the system. Thus, we currently have 20% of the world's population in North America, Western Europe, Japan and Australasia consuming 80% of the world's resources, mostly in a blatantly wasteful fashion. Socialists hold that the planet's resources, if managed properly, can provide more than all the essential needs for a full and productive life for everyone. Further, after abolishing the capitalist economic and class system, there will no longer exist hierarchies of social privilege or class divisions. Will we, then, be all the same? Of course not! There

will still be different cultures, languages, food, literature, and arts that will continue to flourish and enrich the lives of all. They'll just be able to develop better without the constant barrage of the Golden Arches, Mickey Mouse, and Swoosh logos they are subjected to today. It is obvious that availing ourselves of these cultural riches will benefit all, and gone will be the present capitalist rationalization to go to war with other nations and cultures for reasons that have nothing to do with ordinary workers. This is what socialism can and will achieve. When it will happen is up to you—when you and our fellow workers embrace the concept and inaugurate it. *Hasten the day!*

—J. AYERS



# In Ontario

## Housing, electricity woes: “profit before people” the true culprit

It's not surprising that we encounter poverty in Ontario. After all, it's an inevitable by-product of the capitalist economic system throughout the world. The workers cannot continually give up most of the wealth they create through their labour to the small group of affluent owners of the means of production without a considerable portion of them being deprived of the necessities of life. Nor should we be particularly surprised just because we live in Canada's richest province, which has recently experienced an unprecedented wealth-creating boom with the US, or because twelve years ago the federal government, with the support of all parties, pledged to eliminate child poverty by the turn of the century. Child poverty has actually risen 39% in that period despite a projected five-year budget surplus of well over \$100 billion, and anyone would be disturbed by the statistics and the effect on children. For instance, the Daily Bread Food Bank in the Canadian Centre for Policy Alternatives's magazine, *Monitor* (Vol. 8, No. 7, December 2001), reported 50 000 children in Canada's largest city, Toronto, and 125 000 in Ontario, live in families that need to use a food bank or similar emergency food program. The median monthly income for food bank users is \$1087, from which an average \$758.50 must be deducted for rent, leaving just \$3.81 per person per day to meet all other needs, not just food. While most of these families are on welfare, almost one third have at least one parent working but still need regular assistance. While parents regularly go hungry, the effect on children is shown by the following:

- 24.5% live in families who have been evicted or threatened with eviction.
- 56% cannot afford public transportation.

- 25% live in houses rated as poor and 20.5% are waiting for social housing.
- 12% rely on a school breakfast program and 9% on a school snack program.

The first act of the current provincial government when elected in 1995 was to slash welfare payments by 20% and they have not been increased since, losing a further 15% to inflationary erosion. Additionally, this government claws back every dollar received by these families from the National Child Benefit Supplement (a federal program to put nutritious food in the mouths of hungry children) from their provincial welfare payments. In other words, these poor people are helping to fund the provincial government's handouts and tax cuts to big business and to the wealthy.

It doesn't get any better either when it comes to housing. The *Toronto Star* article “Housing Solutions Are Elusive” (24 November 2001) underscores the housing problem. In the year 2000, 1000 households were evicted every week for inability to pay rent. Some 200 000 Toronto families spend more than 50% of their income on rent, even though paying just 30% of income is deemed “affordable”. The federal government, perhaps slightly embarrassed by giving away \$100 billion of its expected five-year surplus (mainly to the already wealthy or comfortable through tax refunds) has offered \$680 million for affordable housing to the whole of Canada over the next four years, provided the provinces will match this. If they do, and this is far from certain, Ontario's share will be \$244.5 million, enough to build 4 800 units of the 16 000 units Toronto will need.

Both these problems of food and housing could be easily corrected in short order. We already have enough food for everyone to enjoy a nutritious diet and we certainly have the skilled

workers and raw materials to meet the housing needs in this city that assimilates 100 000 new immigrants every year. The problem lies, of course, with the profit system. There's no profit in providing food and housing to people who have just \$3.81 a day. The capitalist system never has been able, and never will be able to provide these absolutely basic needs to all of society. This can only be done for those who can pay. Incredibly, the Daily Bread Food Bank and many other such well-meaning agencies never seem to be able to figure this out. They call for remedies such as a petition to restore the Child Benefit Supplement, or increase the welfare payments or minimum wage a few cents. While I applaud their efforts to help feed the hungry and house the homeless, it would be nice to read, just once, that more people are with us in revealing that the capitalist economic system of putting profit before people is the rightful culprit.

### Power to the people

The current provincial government rode to power on the strength of the “Common Sense Revolution” which generally aped Reagonomics and Thatcherism, giving high priority to privatization and deep spending cuts in the public domain. Thus, Ontario Hydro, having provided Ontarians with consistent, price-controlled electricity since its inception in 1906, is in the process of being turned into a private company. The utility was split into two entities early in the Tories' mandate creating a power-generating company and a power-transmitting company a few years ago in anticipation of opening up the privately owned energy market. The reasons for the delay are political, not ideological. Two jurisdictions that tried this ahead of Ontario, California and Alberta, have already run into some embarrassing problems.

see **BAY STREET, page 8**

# Corporate scandals

## Bush Jr.'s "tough talk" all bark, no bite

Economic "scandals" have always been part and parcel of the system of capitalism. A tiny minority reaps in vast quantities of wealth while the vast majority of us (the working class) must be content with the crumbs, hoping that we do not fall into the cesspool of unemployment.

Recently, public outrage has grown against corporate powers such as Enron, WorldCom and Xerox, where accounting books have been doctored and workers' pension investments have been embezzled, share prices artificially inflated, and the (capitalist) economy thrown into turmoil resulting in thousands of workers being sacked.

The corporate media have seized upon the issue. The problem looms so large that it cannot be ignored. Even US President George Bush, Jr. has been forced to enter the fray. He has been reported by some media as presenting a new "anti-corporatist" sentiment, a new form of populism to bolster sagging ratings when it comes to domestic economic issues. Indeed, he has openly stated that corporations should be more "accountable".

It's not the first time in US history that presidents have had to step in. At

the turn of the 20th century, President Theodore Roosevelt's reputation was that of a "trust breaker" against capitalism's robber barons and the growing monopolization of industry. Similarly, Franklin Delano Roosevelt advocated public works during the economic breakdown of the Great Depression in the 1930s, much to the consternation of some capitalists.

However, as well-sounding as these Presidents' words ring to some, what we are really seeing with Bush's "tough talk" is a bark without much of a bite in terms of working class interests or real protection. How correct Karl Marx was when he stated that governments are nothing more than the executive committees of the capitalist class. The capitalist politicians, such as Bush, are just the water-boys trying to ensure the survival of the capitalist system, and I am sure we will see many more corporation rip-offs and dodges such as Enron, WorldCom and Xerox in the future. This is how the system works—it's a social system of waste, corruption, and contempt for working people and it is high time we send it packing.

—LEN WALLACE

# Africa's debt

**continued from page 3**

to put a human face on it ultimately deceive themselves because reforms do not remove the system that engenders poverty—it postpones it.

The continent of Africa is rich in resources and in the human ability and intelligence to meet their own needs. Contrary to cow towing to the capitalist game, the solution can only be a fundamentally different kind of society where production is solely for use, without profits or wages, where all people of the world democratically determine their future for themselves. This is the basis of what we in the Socialist Party stand for—Real Socialism—Real Democracy.

Those who have been dubbed as part of the "anti-globalist" movement may argue that change is needed now. Socialists agree. What we advocate is a real change now, not a tinkering with the capitalist system. The movement toward a better, sane world fit for human beings would be a much more strategic use of our energies if devoted for that very fundamental change—Socialism, Now.

—LEN WALLACE

## Interested in learning more about socialism?

The following members of the Socialist Party of Canada have volunteered themselves as regional contacts.

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We also invite you to write us for a free package of introductory literature. Drop us a line at the usual address:

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# Bay Street berserk over Hydro proposal

**continued from page 6**

In California, skyrocketing rates and rolling brown-outs were the order of the day last winter, prompting state officials to consider returning power to the public sector, a move saved only by the recession and consequent lower energy demand. In Alberta, the original flag-wavers for privatization, the steel and petrochemical industries, cried foul when their bills for energy quadrupled.

These examples made it politically dangerous for the Ontario Tories to proceed with their usual haste and disregard of public opinion, but the clincher was the squabble between the industrialists and the Bay Street financiers. Speaking for the industrialists, lobbyist Dan Macnamara said, "In theory, free-market competition is great; in practice, it doesn't seem to work—at least not in the electricity industry." (Toronto Star, 15 December 2001) Ontario's big power users, such as Dofasco Steel, wanted to turn electricity into a non-profit co-operative committed to delivering cheap and reliable power, much like what Adam Beck established in 1906 and is now in the process of being dismantled. Ian Urquhart, writing

in the Toronto Star (15 December 2001), commented on this situation, stating, "The rest of Bay Street, and their mouthpieces in the financial press, went berserk when the news first broke that the government was seriously considering the non-profit option." Advocates of this option were accused of "being fixated on keeping prices low" (as if that were a bad thing) and of trying to "shackle" Hydro One. Yet the financiers pressed for the sale to go through, expecting to make as much as \$200 million in commissions and fees. Additionally, Hydro One's senior managers, including the utility's chair, Sir Graham Day, a major proponent of privatization under Thatcher, pushed to go ahead with deregulation because this would give them huge windfalls by reaping lucrative stock options. Day, always looking for the easiest way to cash in, threatened to go elsewhere if the sale did not go through. In the end,

Premier Harris pressed ahead with privatization, even as he was resigning his position, and will not be around to take the resulting heat when prices go up.

Through all of this, consideration for the needs of the average consumers struggling to pay their bills is nowhere to be heard. They are right to be concerned. Capitalism demands that commodities be sold in the highest paying market, *i.e.*, the one ensuring the highest profits. To our south lies the giant US economy, eager to take our energy and already paying up to 50% more than we are. Indeed, Hydro One has already applied for permission to lay a transmission cable under Lake Erie to points south. So either we pay more, much more, or we freeze in the dark. This is the capitalist system in action, nothing to do with socially controlled hydro—needs can only be met if you have the money to pay for them.

—J. AYERS

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